

### **Remarks**

Claims 1-22 are pending in the application and were rejected. By this paper, claims 1, 13 and 22 have been amended, and reconsideration of the claims is respectfully requested. Furthermore, claims 6 and 17 have been canceled, and new claims 23-32 have been added.

#### **Rejection Under 35 U.S.C. § 103**

Claims 1-22 were rejected under § 103(a) as being unpatentable over U.S. Patent No. 6,119,103 to Basch et al. in view of U.S. Patent No. 6,516,056 to Justice et al.

Claim 1 has been amended to recite “comparing the charge-back history to predetermined ranges of charge-backs; and determining a risk score based on the comparison of the charge-back history to the predetermined ranges of charge-backs”. As noted by the Examiner, Basch et al. ‘103 fails to disclose determining a risk score based on charge-back history. Furthermore, Basch et al. ‘103 fails to disclose comparing a charge-back history to predetermined ranges of charge-backs, and determining a risk score based on the comparison of the charge-back history to the predetermined ranges of charge-backs. Moreover, Justice et al. ‘056 fails to cure the deficiencies of Basch et al. ‘103. More specifically, Justice et al. ‘056 fails to disclose comparing a charge-back history to predetermined ranges of charge-backs, and determining a risk score based on the comparison of the charge-back history to the predetermined ranges of charge-backs. Thus, the combination of Justice et al. ‘056 and Basch et al. ‘103 falls short of Applicant’s invention as claimed in claim 1. For this reason, claim 1 and the associated dependent claims are believed to be allowable.

It should also be noted that many of the dependent claims recite additional features that are also not disclosed in any of the cited references. For example, claim 3 requires obtaining a reason code for each charge-back included in the charge-back history, and “weighting each charge-back included in the charge-back history based on the corresponding reason code.” Although Basch et al. ‘103 discloses providing “reasons, e.g., explanations or

transaction histories, to inform the account holder the rationale behind the risk assessed,” Basch et al. ‘103 does not disclose either of the above recited steps. (See col. 8, ll. 7-9, of Basch et al. ‘103). Nor does Justice et al. ‘056 cure the deficiencies of Basch et al. The section of Justice et al. ‘056 to which the Examiner refers indicates that a charge-back comment may be provided “indicating that the customer currently has a disputed charge with the customer service center 14 and future orders should be processed only with the approval of a fraud specialist.” (See col. 12, ll. 33-67, of Justice et al. ‘056). That section of Justice et al. ‘056 does not disclose obtaining a reason code for each charge-back included in a charge-back history, and weighting each charge-back based on the corresponding reason code.

As another example, claim 4 further requires “determining how each charge-back included in the charge-back history is associated with the purchasing card transaction, and weighting each charge-back based on the corresponding association with the purchasing card transaction.” As disclosed in the specification, for instance, a charge-back associated with a telephone number of a telephone that is being used to initiate the current transaction may be given more weight than a charge-back associated with a ship to address. (See p. 14, ll. 5-8, of the specification.) It is respectfully believed that the combination of steps recited in claim 4 is not disclosed in the cited references, either alone or in combination.

As yet another example, claim 5 further requires “obtaining additional charge-back history associated with a machine identification number of a machine involved in the purchasing card transaction” and “determining the risk score based on the additional charge-back history.” Although Basch et al. ‘103 discloses use of multi-dimensional tables 912 that include parameters such as a merchant identifier, a location code, and a zip code, Basch et al. ‘103 does not disclose obtaining additional charge-back history associated with a machine identification number as claimed. Nor does Justice et al. ‘056 cure the deficiencies of Basch et al. ‘103.

With respect to claim 12, that claim recites:

obtaining a charge-back history associated with a consumer involved in the purchasing card transaction, wherein the charge-back history includes charge-backs associated with a particular purchasing card account of the consumer, and a reason code for each charge-back;

weighting each charge-back based on the corresponding reason code; and

determining a risk score based on the weighted charge-backs.

For at least the reasons discussed above with respect to claim 3, the § 103(a) rejection of claim 12 is believed to be improper and should be withdrawn.

Claim 13 has been amended to recite that “the risk model includes instructions for comparing the charge-back history to predetermined ranges of charge-backs in order to determine the risk score.” For at least the reasons discussed above with respect to claim 1, claim 13 and the associated dependent claims are believed to be allowable.

Claim 22 has been amended to recite that the charge-back history includes “charge-backs associated with the consumer and a reason code for each charge-back.” Claim 22 has been further amended to recite that the processor includes a risk model “that includes instructions for weighting each charge-back based on the corresponding reason code and instructions for determining a risk score based on the weighted charge-backs.” For at least the reasons discussed above with respect to claim 3, claim 22 is believed to be allowable.

### **New Claims**

New claims 23-32 have been added for consideration by the Examiner.


**Conclusion**

Applicants have made a genuine effort to respond to each of the Examiner's objections and rejections in advancing the prosecution of this case. Applicants believe that all formal and substantive requirements for patentability have been met and that this case is in condition for allowance, which action is respectfully requested. If any additional issues need to be resolved, the Examiner is invited to contact the undersigned at his earliest convenience.

A check in the amount of \$564 is enclosed to cover the Petition fee of \$420 and the additional claims filing fee of \$144. Please charge any additional fees or credit any overpayments as a result of the filing of this paper to our Deposit Account No. 02-3978 -- a duplicate of this paper is enclosed for that purpose.

Respectfully submitted,

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